2. The following subjects were discussed in these meetings :

   (i) Altermative Scheme of Devolution of Share in Central Taxes to States submitted by the Ministry of Finance.

   (ii) Amendments to article 356 of the Constitution.

   (iii) Contre- State Financial Relations (Chapter X) of the Sarkaria Commission's Report.

3. The Standing Committee reached a consensus on the question of Devolution of Share in Central Texes to States as follows :

   a. (i) 26% the gross proceeds of all Central Taxes (excluding Stamp Duty, Excise Duty on Medicinal and Toile preparations, Central Sales Tax, Consignment Tax and Surcharge) will be assigned to the States in lieu of the existing share in Income Tax and Basic/ Special Excise Duties and the grants in lieu of Tax on Railway passenger fares.

   (ii) In addition, 3% of gross proceeds of all Central Taxes (excluding Stamp Duty, Excise Duty on Medicinal and Toilet Preparations, Central Sales Tax, Consignment Tax and Surcharge) is to be assigned to the States in lieu of the existing share in additional Excise Duties in lieu of Sales Tax on Tobacco, Cotton and Sugar. These three items may continue to be exempted from Sales Tax and the additional Excise Duties in lieu of Sales Tax on these items may be merged with the Basic Excise Duties.

   (b) The Alternative scheme of Devolution share in Central Taxes to States would be implemented with effect from 1.4.1996.

   (c) The Scheme would be reviewed during the current Financial Year with a view to improving the share of States.

4. The above Scheme has also been approved by the Inter-State Council meeting held on 17.7.1997.

5. So far as the amendment of article 356 of the Constitution is concerned, no consensus could be reached either in the Standing Committee or in the Inter-State Council meeting held on 17.7.1997.

6. Instruction have been issued to the Administrative Ministries concerned to implement 54 recommendations as endorsed by the Inter-State Council. The Government is keen to complete action on the pending recommendations of the Sarkaria Commission at the earliest.

Study Tour of J & K State By Home Minister

2055. SHRI SATYAJITSINH DULIPSINH GAEKWAD:
SHRI MADHAVRAO SCINDIA :

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether he has recenty made a two week study tour of the State of Jammu and Kashmir to assess the activities of militants and the situation arising from continued infiltration by Pak-trained Militants and foreign mercenaries; and

(b) if so, the fresh initiatives taken by the Government on the observations made by him?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MOHD. MAQBOOL DAR) : (a) No, Sir,

(b) Does not arise.

[Translation]

Hired Storage Capacity

2056. PROF. PREM SINGH CHANDUMAJRA :
JUSTICE GUMAN MAL LODHA :
SHRI V.V. RAGHVAN:
SHRI MOHAN RAWLE :

Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state :

(a) whether the Food Corporation of India hires storage capacity instead of using its own storage capacity as appeared in the *Hindustan Time* dated July 7, 1997;

(b) if so, the details thereof and the reasons therefor ;

(c) whether the Corporation has not fully utilised its own godowns/hired godowns during the last three years;

(d) if so, the reasons therefor ;

(e) the amount paid annually by the Food Corporation of India for hiring storage capacity during each of the last three years; and

(f) the steps taken by the Food Corporation of India to fully utilise its own storage capacity instead of hiring the storage capacity?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI RAGHUVANS PRASAD SINGH) : (a) and (b) The Food Corporation of India, in addition to utilising its own godowns, takes on hire godowns from other agencies like Central Warehousing Corporation, State Warehousing Corporation, State Governments and

private agencies keeping in view the requirements. Hiring and dehiring of storage capacity is a continuous process depending on the level of procurement/offtake of foodgrains. CAP storage is hired at the time of procurement and dehired as and when it is no longer required. Since exact level of procurement and offtake cannot be estimated, some times the storage capacity remain under utilised.

(c) and (d) The Bureau of Industrial Costs & Prices (BICP) has recommended 75% utilisation of the capacity as the optimum. The Capacity utilisation during last three years, both covered and CAP (Owned & Hired) has been 87%, 82% and 65% as on 1.7.1994, 1.7.1995 and 1.7.1996 respectively. The hire utilisation of capacity of hired godowns is due to the fact that certain capacity is hired on occupancy basis i.e. 100% utilisation.

(e) The amount paid towards hiring of storage capacity including those from CWC/SWCs, State Governments and the private agencies during the last three years as follows:

(Rs in Lakhs)

For	1994-95	1995-96	1996-97
(i) Covered Capacity			
CWC	4510.17	4033.81	2832.50
SWC	4270.41	5328.54	3608.81
Pvt. parties under ARDC/ General	1714.31	2424.06	3756.79
State Govt.	237.47	376.48	944.89
(ii) CAP	14.07	0.76	0.71
Total	10746.43	12163.65	11143.70

(f) The Food Corporation of India undertakes constant reviews and hires/dehires the storage capacity from time to time and it is a continuous process. 100% utilisation of the storage capacity is not possible.

[English]

OBC List

2057. SHRI P.R.S. VENKATESAN : Will the Minister of WELFARE be pleased to state :

(a) whether the Government propose to modify the central List of Backward Classes ;

(b) if so, the details thereof ;

(c) whether the National Commission for Backward Classes has submitted its proposal to modify the Central List of Backward Classes;

(d) if so, the details of communities to be included in the Central List of backward Classes;

(e) the action proposed to be taken by the Union Government in this regard ;

(f) whether the Government also propose to exempt the occupational communities from the limit of creamy layer; and

(g) if so, the details thereof ?

THE MINISTER OF WELFARE (SHRI BALWANT SINGH RAMOOWALIA) : (a) and (b) Yes Sir. On receipt of recommendations from National Commission for Backward Classes a statutory body, set up by this Ministry under the National Commission for Backward Classes Act 1993 to entertain, examine and recommend upon the request for inclusion and complaints of over inclusion and under inclusion in the Central Lists of Other Backward Classes, the Ministery of Welfare modify the Central Lists of Backward Classes.

(c) to (e) Yes Sir. The National Commission for Backward Classes has recently recommended some castes/ communities for inclusion in the Central List of Other Backward Classes & these are being notified very soon.

(f) and (g) Yes Sir. According to O.M.No. 36022/ 22/93 Estt (SCT) dated 8.9.1993 the persons working as artisans or engaged in the hereditary occupations callings etc. like Potters, Washarmen, Barbers etc. are exempted from application of the rule of exclusion.

Prices Vital Drugs

2058. SHRI RATILAL KALIDAS VERMA :
DR. VALLABHBHAI KATHIRIA :
SHRI CHANDRABHUSHAN SINGH :

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether the attention of the Government has been drawn to the news item captioned "Vital Drugs' prices skyrocket" appearing in the *Times of India* dated May 15, 1997;

(b) if so, the reaction of the Government thereto ; and

(c) the reasons for frequently increasing the prices of drugs?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM) : (a) Yes, Sir.

(b) The general observation in the said news item is that NPPA has not been operational, therefore, the review of list of drugs under price control has not taken place, resulting